



## **Division of Child Development and Early Education**

### **Legislative Updates 2014–15**

**Presenters:**

**Dora McCallum  
Carol Carnley**

**August 18, 2014  
August 25, 2014**

Division of Child Development and Early Education

1

Welcome

Introductions of Presenters and Participants

# OVERVIEW

- ▶ Maximum Income Eligibility Limits
- ▶ Parental Fee Percentages
- ▶ Prorated Parental Fees
- ▶ Income Unit Definition
- ▶ Data Warehouse Queries

This presentation will provide information about changes to the Subsidized Child Care Program as required by the General Assembly in the Budget Bill for State Fiscal Year 2014-2015.

We will discuss the new maximum income eligibility limits, changes in parental fee percentages and proration of parental fees. We will also discuss the requirement in the budget bill for the Division to revise the definition of Income Unit.

Division of Child Development and Early Education staff have also created some queries on Data Warehouse to assist county staff in identifying families in order to implement the changes we will be discussing today.

## Maximum Income Eligibility Limits

- ▶ Effective October 1, 2014
- ▶ 200% of Federal Poverty Level (FPL)
  - Children ages 0-5
  - Children with Special Needs
- ▶ 133% of Federal Poverty Level (FPL)
  - Children ages 6-12

Based on our current policy, the maximum gross annual income for eligibility for subsidized child care is 75% of the state median income and is adjusted for family size. Effective 10/1/2014 the maximum gross annual income for eligibility for services will be determined by a percentage of the federal poverty level.

On the following slides we will view and discuss the new maximum income limit charts as well as discuss what needs to be done in order to implement these changes.

## 200% Federal Poverty Level

(All children ages 0–5, and All special needs children)

Family Size	1	2	3	4	5
Maximum Gross Monthly Income	\$1,945	\$2,622	\$3,298	\$3,975	\$4,652

Family Size	6	7	8	9	10	11	12
Maximum Gross Monthly Income	\$5,328	\$6,005	\$6,682	\$7,358	\$8,035	\$8,712	\$9,388

## 133% Federal Poverty Level

(All children ages 6–12, no special needs)

Family Size	1	2	3	4	5
Maximum Gross Monthly Income	\$1,293	\$1,743	\$2,193	\$2,643	\$3,093

Family Size	6	7	8	9	10	11	12
Maximum Gross Monthly Income	\$3,543	\$3,993	\$4,443	\$4,893	\$5,343	\$5,793	\$6,243

With the implementation of the new income guidelines, you will find that some families may be eligible for their children ages 0-5 but not eligible for their children ages 6-12.

# Next Steps

- ▶ All New applications.
- ▶ Next Eligibility Re-determination begin date on or after October 1, 2014.
- ▶ No action needed on certain cases.

Staff must use the new Maximum Gross Income amounts for all applications taken on or after October 1, 2014

For cases in which the next eligibility redetermination begin date is on or after October 1, 2014 use the new income guidelines to determine eligibility. Services must be terminated with a ten day notice for those children found to be ineligible due to the new income guidelines.

For cases in which the next eligibility redetermination begin date is prior to October 1, 2014, no action is required at this time to implement this change. These cases will continue to receive services based on 75% of the state median income until the next annual eligibility re-determination is done by staff. At that annual re-determination the child's eligibility shall be based on the new income guidelines. If during the next 12 months an increase or decrease in income is reported on these cases, you will continue to use the 75% state medium income chart as a guideline until the next annual redetermination.

## Parental Fee Percentages

### Old Policy

- The worker multiplied the family's gross monthly countable income by the appropriate fee percentage of either 10%, 9% or 8% based on the family size.

### New Policy

- Effective October 1, 2014, the worker will multiply the family's gross monthly countable income by 10%, regardless of the family size.

This does not change who pays a parental fee only the percentage of income used to determine eligibility for some families. Children receiving care for child welfare services, child protective services and children in the custody of DSS continue to be exempt from parental fee requirement.

## Next Steps

- ▶ Must identify cases in which the current parental fee is based on 9% or 8% of family's gross monthly income.
- ▶ Use existing information in case record from last reported income.
- ▶ May also use information from Data Warehouse queries provided by Division of Child Development and Early Education.
- ▶ Child Care Action notice must be sent to all families affected by September 16, 2014 with an effective date of change as October 1, 2014.

8

Queries have been created by Division staff and placed in Data Warehouse. The information pulled from Data Warehouse is based on income entered into SCCRS by county staff.

It is very important that these action notices are sent in a timely manner to comply with the 10 day notice policy and to ensure that changes are effective 10/1/2014. Even the cases that continue to receive services based on 75% state median income and are currently paying an 8 or 9% parental fee, must be notified of this change and their fees must now be based on 10% effective 10/1/2014.



## Proration of Parental Fees for Part Time Care

- Effective October 1, 2014, parental fees are no longer prorated based on hours of care.
- Families will now pay 100% of the parental fee based on 10% of the family's gross income regardless of the hours of care needed.

This means that if the fee is assigned to a school age or preschool age child with wrap care the family will pay 100% of the parental fee based on 10% of the family's countable monthly gross income.

## Next Steps

- ▶ Must identify cases in which the current parental fee has been prorated based on a part time plan of care.
- ▶ Use existing information in case record from last reported income and plan of care.
- ▶ May also use information from Data Warehouse queries provided by Division of Child Development and Early Education.
- ▶ Child Care Action notice must be sent to all families affected by September 16, 2014 with an effective date of change as October 1, 2014.

Again, it is essential that the action notices are sent timely in order to comply with our current 10 day notice policy. Even on the cases that continue to receive services based on 75% state median income, if the parental fee has been prorated due to part time care, effective 10/1 it must be based on 10% of family's income at 100% level of care.

## Income Unit Definition

Effective January 1, 2015 Changed to Include the Following:

- A stepparent and stepparent's child, if applicable.
- A nonparent relative caretaker, and the caretaker's spouse and child, if applicable, when the parent of the child receiving subsidized child care does not live in the home with the child.

Recent legislation, approved by both the Senate and the House and signed by the Governor, requires that the Division of Child Development and Early Education revise the subsidy policy definition of income unit to include (read from slide). This must be done no later than January 1, 2015.

**Note about Non Parent Relative Caretaker:** Any person other than the parent who is related to the child by either blood or marriage and who has the primary responsibility for the care of the child/children receiving subsidy.

**When the parent is not in the home,** the nonparent relative caretaker and the caretaker's spouse, who are now in the income unit, will be considered the responsible adults. Our current child care policy states that when there are two parents/responsible adults in the household, both must meet the need criteria.

## Next Steps

- Identify current families who may be affected by this change.
- Begin Contacting families now to collect the following information:
  - Names of all members of the household and their relationship to the child/children receiving Subsidy
  - Verification of all countable income for income unit members to include relative caretaker, relative caretaker's spouse and children, if applicable.
- Send Child Care action notices to update income and parental fee information as well as any notice of termination by December 15 with an effective date of January 1, 2015.

To identify the families affected you may use information in the case record. Division has also created some queries on Data Warehouse to assist county staff in possibly identifying cases based on there being 0-1 responsible adults in the household. This query is based on information keyed into SCCRS by county staff.

If the new income unit member receives FNS, staff may deem the income used in FNS.

All policy changes discussed during today's session will be released via a formal change notice by October 1, 2014 for changes with an effective date of October 1, 2014. Policy changes with an effective date of January 1, 2015 will be released via a formal change notice by January 1, 2015.

# DATA WAREHOUSE QUERIES

# Questions?

If anyone still has questions, we will be glad to try to answer them for you now.

## Contact Information for Subsidy Section

Dora McCallum

[Dora.McCallum@dhhs.nc.gov](mailto:Dora.McCallum@dhhs.nc.gov)

Sherry Young

[Sherry.Young@dhhs.nc.gov](mailto:Sherry.Young@dhhs.nc.gov)

Donna Lipscomb

[Donna.Lipscomb@dhhs.nc.gov](mailto:Donna.Lipscomb@dhhs.nc.gov)

Subsidy Services Section:  
919-527-6590